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MILK MARKET INFORMATION BULLETIN
CHATTANOOGA, TENNESSEE MARKETING AREA
July 1964

Number 12

Released Pursuant to §1090.27 (j) and §1090.85, USDA-AMS
Federal Order No. 90, 5916 Brainerd Road, Chattanooga, Tennessee 37411
J. B. McCroskey, Market Administrator

ORDER AMENDED

The Chattanooga Federal Milk Order (and 69 other orders) was amended effective August 1, 1964. The principal changes resulted in a uniform plan for the regulatory treatment of nonpool milk received at regulated plants or disposed of in regulated markets and the inter-order movement of pool milk. Copies of the amended Chattanooga Order are available at the Market Administrator's office. An outline of the final decision pertaining to the amendment was published in the June 1964 bulletin.

PRODUCERS BEGIN FORMING NEW BASES

Producers supplying milk to handlers regulated by the Chattanooga Order will form new bases September 1, 1964 through January 31, 1965. Producers, especially partners, should take precaution to see if their name is that in which they wish the base to be recorded.

MARKET SUMMARY JULY 1964

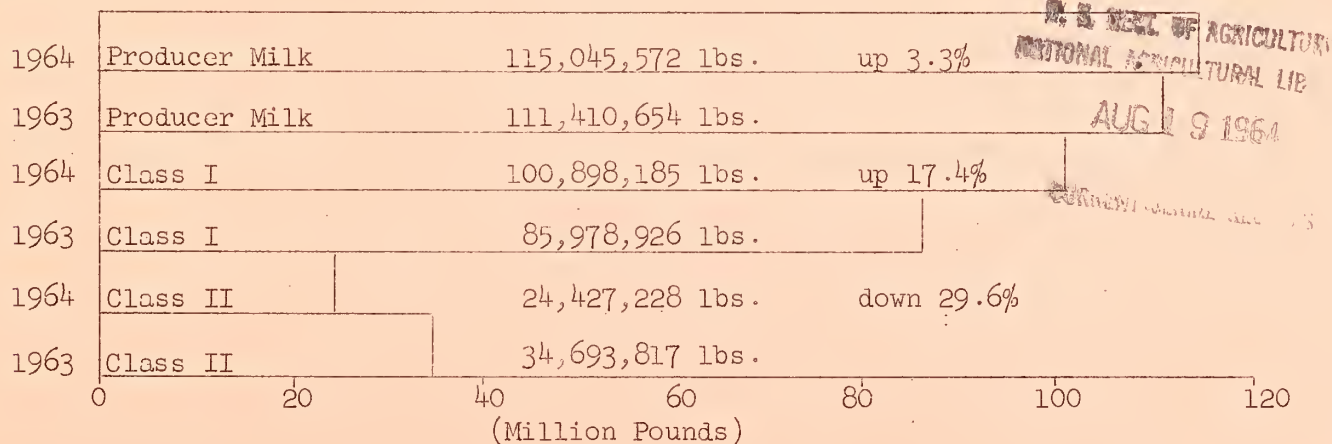
The Chattanooga Order MINIMUM uniform producer prices per cwt. f.o.b. pool plants for milk testing 3.5% are: Base Milk \$4.99, Excess Milk \$2.62. The butterfat differential is 7.4 cents for each one-tenth of one percent above or below 3.5%.

During June 83.2% of the total producer milk was priced in Class I at \$5.16 per cwt. with a butterfat differential of 7.5 cents and 16.8% priced in Class II at \$2.66 per cwt. with a butterfat differential of 6.7 cents. The percent of producer skim and butterfat priced in Class I was 83.5% and 75.9% respectively. Base milk was 88.8% and excess milk was 11.2% of the total producer deliveries. All excess milk and 6.3% of base milk was priced in Class II and 93.7% of base milk was priced in Class I.

The daily average deliveries of producer milk during July increased 1.2% compared with June and increased 1.8% compared with July 1963. The daily average use of Class I milk decreased 0.4% compared with June and increased 14.3% compared with July 1963. The daily average base delivered was 89.3% of the established base.

MILK SAMPLES TESTED - Producer Fresh Samples 5,067 - Handler Finished Products 200.

PRODUCER RECEIPTS COMPARED WITH GROSS CLASS UTILIZATION
(January thru July)



COMPARISON OF GROSS MILK RECEIPTS AND UTILIZATION

	% July 1964 Over July 1963	July 1964	June 1964	July 1963
Number of Plants (Pool and Non-Pool)		13	13	14
<u>GROSS RECEIPTS POUNDS (DAILY AVERAGE)</u>				
Producer Deliveries - Base	- 1.1	476,599	482,265	481,914
- Excess	+ 32.9	60,160	47,869	45,263
- Total	+ 1.8	536,759	530,134	527,177
Other Source	- 4.3	18,333	18,281	19,158
Other Order	- 30.2	20,383	36,060	29,206
Total Milk Receipts	0.0	575,475	584,475	575,541
<u>GROSS UTILIZATION POUNDS (DAILY AVERAGE)</u>				
Class I Uses:				
Fluid Milk	+ 16.7	365,962	366,215	313,699
Fluid Skim	+ 16.5	22,318	23,277	19,161
Buttermilk	+ 3.1	44,478	44,895	43,131
Flavored Milk and Drink	+ 11.9	13,675	13,162	12,217
Fluid Cream (Sweet and Sour)	+ 2.4	2,736	2,559	2,673
Bulk to Non-Handlers	-	-	1,390	1,355
Shrinkage Class I		2,714	1,563	2,124
Other		(1,208)	(636)	(235)
Total Class I Milk	+ 14.3	450,675	452,425	394,125
Class II Uses:				
Butter	- 85.7	455	751	3,172
Cottage Cheese	+ 12.6	23,608	24,449	20,969
Powdered and Condensed Milk	- 58.3	36,826	37,844	88,352
Ice Cream	- 8.9	51,862	55,995	56,951
Stockfeed	+ 22.7	6,636	6,410	5,408
Shrinkage Class II		9,804	10,131	8,002
Other		(4,391)	(3,530)	(1,438)
Total Class II Milk	- 31.2	124,800	132,050	181,416
Total Class I Pounds in Area	+ 7.8	267,084	271,745	247,812
Total Class I Pounds Outside Area	+ 25.5	183,591	180,680	146,313
Gross Class I Butterfat Pounds	+ 17.1	16,021	15,995	13,678
Gross Class II Butterfat Pounds	- 32.5	5,785	6,213	8,576
Total Butterfat Pounds	- 2.0	21,806	22,208	22,254
% Producer Milk of Gross Class I		119.1	117.2	133.8
% Producer Milk priced in Class I		83.2	84.8	73.6

AUGUST 1964 CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

	Aug. '64	July '64	Aug. '63
Basic Formula	\$3.12	\$3.11	\$3.09
Plus Class I Differential	1.75	1.75	1.75
Supply-Demand Adjustment	0.18	0.30	(0.12)
Class I Price, 3.5% Butterfat	\$5.05	\$5.16	\$4.72
Per \$ 1090.51(a)			
Supply-Demand Comparison: 1st and 2nd preceding months: June and July			
Supply: Lbs. Producer Milk (June 15,904,006 and July 16,639,535)			32,543,541
Demand: Lbs. Net Class I Milk (June 13,507,212 and July 13,879,333)			27,386,545
Utilization Percentage: Producer milk divided by Class I			119
Standard Utilization Percentage: Range 128-132			128
Net Deviation Percentage: Utilization minus Standard Utilization			minus 9
Supply-Demand Adjustment: 2 cents x 9 percentage points			plus \$0.18

Since the supply in relation to the demand is less than the desired standard, the price is increased 18 cents per hundredweight (2 cents x 9 percentage points).

Reports from the following pool plants were included in the determination of the uniform producer price for July 1964:

Chattanooga Area Milk Producers Assn.
The New Grant-Patten Milk Co., Inc.
Happy Valley Farms, Inc.
Home Stores, Inc.

Mayfield Dairy Farms, Inc.
Ray Moss Farms, Inc.
Paramount Dairies, Inc.
Sealtest Foods-Southern Division

COMPUTATION OF UNIFORM PRODUCER PRICES FOR JULY 1964

Based on 13 plant reports prior to audit

	Class %	Milk Pounds	Butterfat Test-%	Cwt.Price @ Test	Value
Gross Class I		13,970,939	3.555		
Less Other Source		129,066	2.463		
Producer Milk Class I	83.2	13,841,873	3.565052	\$5.208789	\$720,993.96
Gross Class II		3,868,797	4.635		
Less Other Source		1,071,135	2.118		
Producer Milk Class II	16.8	2,797,662	5.598961	4.066304	113,761.44
TOTAL PROD. (Cl. I + Cl. II)	100.0	16,639,535	3.907020		834,755.40
Add Fractional Adjustment					.05
Add Compensatory Payment and Inventory Reclassification Values					24.91
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					9,031.73
TOTAL VALUE AT TEST		16,639,535	3.907020		843,812.09
Less Test Over 3.5% @ 7.4¢ per point		16,639,535	0.407020	0.301195	50,117.45
TOTAL PRODUCER MILK VALUE AT 3.5%		16,639,535	3.5		793,694.64
		Pounds	Price 3.5%	Amount	
Excess Producer Milk - Class I		-	-	-	
Excess Producer Milk - Class II		1,864,959	\$2.66	\$49,607.91	
Total Excess Producer Milk		1,864,959	2.66	49,607.91	
Less Prod.-Settlement Fund Res. @ 4¢		1,864,959	.04		745.98
UNIFORM EXCESS PRICE f.o.b. PLANT - 3.5%		1,864,959	2.62		48,861.93
Value of Base Milk (Total less Excess)		14,774,576	5.036265		744,086.73
Less Producer-Settlement Fund Reserve		14,774,576	.046265		6,835.46
UNIFORM BASE PRICE f.o.b. PLANT - 3.5%		14,774,576	\$4.99		\$737,251.27

JULY 1964 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANT (0-65 Mile Zone)

BUTTERFAT DIFFERENTIAL 7.4¢ PER POINT (EXCLUDES PREMIUMS)

TEST %	PRICES		TEST %	PRICES		TEST %	PRICES	
	BASE	EXCESS		BASE	EXCESS		BASE	EXCESS
3.0	\$4.62	\$2.25	4.0	\$5.36	\$2.99	5.0	\$6.10	\$3.73
3.05	4.657	2.287	4.05	5.397	3.027	5.05	6.137	3.767
3.1	4.694	2.324	4.1	5.434	3.064	5.1	6.174	3.804
3.15	4.731	2.361	4.15	5.471	3.101	5.15	6.211	3.841
3.2	4.768	2.398	4.2	5.508	3.138	5.2	6.248	3.878
3.25	4.805	2.435	4.25	5.545	3.175	5.25	6.285	3.915
3.3	4.842	2.472	4.3	5.582	3.212	5.3	6.322	3.952
3.35	4.879	2.509	4.35	5.619	3.249	5.35	6.359	3.989
3.4	4.916	2.546	4.4	5.656	3.286	5.4	6.396	4.026
3.45	4.953	2.583	4.45	5.693	3.323	5.45	6.433	4.063
3.5	4.99	2.62	4.5	5.73	3.36	5.5	6.47	4.10
3.55	5.027	2.657	4.55	5.767	3.397	5.55	6.507	4.137
3.6	5.064	2.694	4.6	5.804	3.434	5.6	6.544	4.174
3.65	5.101	2.731	4.65	5.841	3.471	5.65	6.581	4.211
3.7	5.138	2.768	4.7	5.878	3.508	5.7	6.618	4.248
3.75	5.175	2.805	4.75	5.915	3.545	5.75	6.655	4.285
3.8	5.212	2.842	4.8	5.952	3.582	5.8	6.692	4.322
3.85	5.249	2.879	4.85	5.989	3.619	5.85	6.729	4.359
3.9	5.286	2.916	4.9	6.026	3.656	5.9	6.766	4.396
3.95	5.323	2.953	4.95	6.063	3.693	5.95	6.803	4.433

CHATTANOOGA ORDER MILK PRICES (3.5 PERCENT MILK)

Date	PRODUCER UNIFORM PRICES ^{1/}				HANDLER CLASS PRICES ^{1/}			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
July '63	\$4.23 ^{2/}	\$4.39	\$2.62	7.2¢	\$4.83	7.5¢	\$2.66	6.7¢
Aug.	4.26	-	-	7.2	4.72	7.5	2.66	6.7
Sept.	4.30	-	-	7.4	4.61	7.5	3.20	6.9
Oct.	4.42	-	-	7.6	4.63	7.8	3.15	6.7
Nov.	4.69	-	-	7.4	4.88	7.6	3.13	6.7
Dec.	4.62	-	-	7.4	4.97	7.6	3.12	6.7
Jan. '64	4.77	-	-	7.2	4.97	7.5	3.12	6.7
Feb.	4.78	-	-	7.4	4.98	7.5	2.82	6.7
Mar.	4.77 ^{2/}	4.92	2.71	7.4	5.07	7.5	2.75	6.7
Apr.	4.72 ^{2/}	4.97	2.65	7.4	5.08	7.5	2.69	6.7
May	4.63 ^{2/}	4.89	2.62	7.2	5.07	7.5	2.66	6.7
June	4.78 ^{2/}	5.00	2.62	7.4	5.19	7.5	2.66	6.7
July	4.72 ^{2/}	4.99	2.62	7.4	5.16	7.5	2.66	6.7
Aug.	-	-	-	-	5.05	7.5	-	-

PRICES USED IN DETERMINING CLASS PRICES AND BUTTERFAT DIFFERENTIALS

Date	CLASS II ALTERNATIVE FORMULAS \$-cwt-3.5%		PRICE QUOTATIONS			BASIC FORMULA Minn.-Wisc. Mfg.Grade Milk \$-cwt-3.5%
	4 Tenn. Milk Mfg.	Butter Powder	4 Tenn. Milk Mfg. \$-cwt-4%	Chi.92° Butter ¢ Lb.	Chi.Area Powders ¢ Lb.	
	Milk Mfg.	Powder				
July '63	2.66	3.12	3.000	57.97	14.03	3.09
Aug.	2.66	3.12	3.000	57.97	14.07	3.10
Sept.	2.66	3.20	3.000	59.70	14.18	3.12
Oct.	2.73	3.15	3.070	58.48	14.18	3.15
Nov.	2.80	3.13	3.138	58.09	14.26	3.16
Dec.	2.82	3.12	3.150	58.01	14.28	3.16
Jan. '64	2.82	3.12	3.150	57.97	14.30	3.17
Feb.	2.82	3.12	3.150	57.97	14.24	3.16
Mar.	2.75	3.12	3.081	57.97	14.25	3.15
Apr.	2.69	3.12	3.025	57.97	14.19	3.12
May	2.66	3.12	3.000	57.97	14.22	3.12
June	2.66	3.12	3.000	57.97	14.24	3.11
July	2.66	3.12	3.000	58.00	14.23	3.12

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLER GROSS MILK 3/			PRODUCER DATA 3/				Deliveries Per			Prod. Milk Test
	No.	Total	Class I	Class I	Total	Base	No.	Farm----Pounds			
	Hdlrs.	Receipt	Use	Use	Delivery	Delivery	Prod.	Prod.	Base	Exc.	
July '63	14	575,549	393,963	387,683	527,174	479,294	697	756	688	68	3.99
Aug.	14	586,869	430,310	423,917	537,729	-	695	774	-	-	4.00
Sept.	14	593,494	450,863	445,015	559,667	-	694	806	-	-	4.02
Oct.	14	557,444	477,892	471,754	531,484	-	689	771	-	-	4.20
Nov.	14	541,145	477,597	472,618	517,129	-	684	756	-	-	4.29
Dec.	14	554,904	443,411	438,851	519,303	-	683	760	-	-	4.42
Jan. '64	13	568,225	490,701	485,963	532,319	-	683	779	-	-	4.33
Feb.	13	575,791	497,065	491,080	533,574	-	683	781	-	-	4.24
Mar.	13	577,959	477,022	472,706	533,122	498,640	678	786	735	51	4.15
Apr.	13	611,855	486,373	482,479	556,140	499,659	658	845	759	86	4.04
May	13	624,622	466,407	462,735	558,544	497,039	654	854	760	94	3.95
June	13	584,475	452,425	449,604	530,134	482,265	655	809	736	73	3.91
July	13	575,475	450,675	446,512	536,759	476,599	655	819	728	91	3.91

^{1/} Excludes Premiums^{2/} For Statistics^{3/} Other Source is Gross minus Producer; Class II is Receipts minus Class I